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SUBJECT: TURMOIL IN KARNATAKA AS GOVERNING COALITION TEETERS ON COLLAPSE

REF: CHENNAI 611

¶1. (SBU) Summary: Buoyed by unexpected success in the South Indian state of Karnataka's September 28 local elections, the ruling Janata Dal (Secular) party refused to hand over the position of Chief Minister (CM) on October 3 to its BJP coalition partner as required in their coalition agreement. In response, all 17 BJP ministers submitted their resignations. The opposition Congress party, sensing an opportunity to formally shatter the coalition, has demanded that Chief Minister H.D. Kumaraswamy to prove his majority through a floor vote. Tensions within and between parties are unlikely to subside anytime soon, and early elections to the state government seem more and more likely. End summary.

JD(S) reneges on coalition agreement

¶2. (U) Karnataka's local elections on September 28 gave an unexpectedly positive outcome for the JD(S). While Congress won a plurality of local seats (1606 out of 5004 possible), it previously held a clear majority. The JD(S) achieved near parity with Congress, winning 1502 seats, up sharply from the previous election. It also did well in many urban areas, dispelling the notion that it is only capable of winning in rural areas. D. Revana Gowda, Karnataka's Minister for Public Works, told us that the results "exceeded our wildest expectations." The BJP came in third, with 1180 seats, also a significant increase.

¶3. (SBU) The unexpectedly good electoral news apparently proved to be the deciding factor in the decision to break the party's promise to its coalition partner to give the BJP its first-ever CM position in a southern India state. The decision to refuse the handover was not unexpected (see reftel), but still controversial. In response, all 17 BJP ministers in the cabinet resigned, but CM Kumaraswamy has yet to forward these resignations to the Governor for approval.

Congress seizes the opportunity

¶4. (SBU) Smelling political blood in the water, Karnataka's Congress party leaders met with Governor Rameshwar Thakur on October 5 to demand that he require the CM to prove that he still commands a majority in the state's legislature. There is, however, disagreement within Congress as to how to proceed. National Congress leaders are encouraging the state party to join in a governing coalition with the JD(S), but state politicians are resisting, fearing that they will suffer from an anti-incumbency electoral backlash if the current situation leads to early elections. (Note: Elections in Karnataka are not required until **¶2009**. End note.) "We hope the high command hears our plea," one state-level Congress leader told us.

BJP prepares for electoral martyrdom

15. (SBU) Jilted by the JD(S), some BJP officials are nonetheless still hoping for an unlikely last-minute change of heart that might save the coalition and prevent early elections. One of the resigned BJP ministers told us, "none of the legislators want elections" while another said that voters will have sympathy for the BJP and its shabby treatment at the hands of the JD(S).

Comment

16. (SBU) The situation in Karnataka is still fluid, but seems likely to result in early elections in any event. Congress politicians still expect to do well in early elections, but the surprising results of local elections suggest that their optimism may be misplaced.

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